

(b) Persons who owe an obligation of health professional service to the Federal Government, a State, or other entity. The following are examples of programs which have a service obligation: Physicians Shortage Area Scholarship Program, National Research Service Award Program, Public Health Service Scholarship, National Health Service Corps Scholarship Program, Armed Forces (Army, Navy, or Air Force) Professions Scholarship Program, Indian Health Service Scholarship Program, National Health Service Corp Loan Repayment Program, and NIH loan repayment programs.

§ 68c.6 How do individuals apply to participate in the CIR-LRP?

An application for participation in the CIR-LRP shall be submitted to the Center for Population Research, NICHD, NIH, which is responsible for the Program's administration, in such form and manner as the Secretary may prescribe.

§ 68c.7 How are applicants selected to participate in the CIR-LRP?

To be selected for participation in the CIR-LRP, applicants must satisfy the following requirements:

(a) Applicants must meet the eligibility requirements specified in § 68c.3 and § 68c.4.

(b) Applicants must not be ineligible for participation as specified in § 68c.5.

(c) Applicants must propose repayment of a loan that meets the requirements of § 68c.9.

(d) Applicants must be selected for approval by the CIR-LRP Panel based upon a review of their applications.

§ 68c.8 What does the CIR-LRP provide to participants?

(a) *Loan repayments.* Upon receipt of an individual's written commitment to serve a minimum initial period of two years of obligated service in accordance with this part, the Secretary may pay up to \$35,000 per year of a participant's repayable debt for each year the individual serves.

(b) Under paragraph (a) of this section, the Secretary will make payments in the discharge of debt to the extent appropriated funds are available for that purpose. When a shortage of

funds exists, participants may be funded partially, as determined by the Secretary. However, once a CIR-LRP contract has been signed by both parties, the Secretary will obligate such funds as necessary to ensure that sufficient funds will be available to pay benefits for the duration of the period of obligated service unless otherwise specified by mutual written agreement between the Secretary and the applicant. Benefits will be paid on a quarterly basis after each service period unless otherwise specified by mutual written agreement between the Secretary and the applicant.

§ 68c.9 What loans qualify for repayment?

(a) The CIR-LRP will repay participants' lenders the principal, interest, and related expenses of qualified Government and commercial educational loans obtained by participants for the following:

(1) Undergraduate, graduate, and health professional school tuition expenses;

(2) Other reasonable educational expenses required by the school(s) attended, including fees, books, supplies, educational equipment and materials, and laboratory expenses; and

(3) Reasonable living expenses, including the cost of room and board, transportation and commuting costs, and other living expenses as determined by the Secretary.

(b) The following educational loans are ineligible for repayment under the CIR-LRP:

(1) Loans obtained from other than a government entity or commercial lending institution;

(2) Loans for which contemporaneous documentation is not available;

(3) Loans or portions of loans obtained for educational or living expenses which exceed the standard of reasonableness as determined by the participant's standard school budget for the year in which the loan was made, and are not determined by the Secretary to be reasonable based on additional documentation provided by the individual;

(4) Loans, financial debts, or service obligations incurred under the following programs: Physicians Shortage